

§ 250.106

30 CFR Ch. II (7–1–99 Edition)

necessary to assure compliance with applicable regulations.

(e) Cooperate and consult with or solicit advice from affected States, executives of affected local governments, other interested parties, and relevant Departments and Agencies of the Federal Government.

(f) Identify for those activities under the jurisdiction of the Director those States which are deemed to be affected States.

§ 250.106 Oral approvals.

(a) The appropriate MMS official may give an oral approval whenever the regulations in this part require a lessee or other applicant to obtain such official's approval before commencing an operation or activity. If an oral approval is given in response to an oral request, the lessee or applicant shall confirm the oral request by submitting a written request within 72 hours of the oral approval and the MMS official shall approve that request subject to any conditions that were placed upon the oral approval. In the event a written application is given oral approval by an MMS official, the MMS official shall forward the approval and any conditions placed thereon to the applicant.

(b) The appropriate MMS official may give oral orders to lessees in connection with requirements of this part whenever circumstances do not permit the time needed to prepare and issue such orders in writing. Oral orders shall be confirmed in writing by the appropriate MMS official.

§ 250.107 Right of use and easement.

(a) In addition to the rights and privileges granted to a lessee under a lease issued or maintained under the Act, the Regional Supervisor may grant a lessee, subject to conditions prescribed by the Regional Supervisor, a right of use and easement on the OCS to construct and maintain off the lease platforms, artificial islands, and all installations and other devices which are permanently or temporarily attached to the seabed and which are used for conducting exploration, development, and production activities or other operations on or off the lease which are related to such activities. Rights of use

and easement on the OCS shall be issued and exercised in accordance with the provisions of this section.

(b) A right of use and easement, if on an area subject to any lease issued or maintained under the Act, shall be granted only after the holder of the lease has been notified by the applicant and afforded an opportunity to comment on the application.

(c) The Regional Supervisor shall require compliance with subpart I and MMS approval for all platforms, artificial islands, and installations and other devices permanently or temporarily attached to the seabed as a condition of the granting of a right of use and easement under paragraph (a) of this section or as authorized under any lease issued or maintained under the Act.

(d) The right granted by a right of use and easement shall be exercised in accordance with the requirements placed upon lessees by the regulations in this part.

(e) A right of use and easement shall be exercised only in a manner which does not interfere unreasonably with operations of any lessee under a lease.

(f) Once a right of use and easement has been exercised, the right shall continue, beyond the termination of any lease on which it may be situated, as long as it can be demonstrated to the Regional Supervisor that the right of use and easement is maintained by the holder of the right and serves the purpose specified in the grant. If the right of use and easement extends beyond the termination of any lease on which the right of use and easement may be situated or on an unleased portion of the OCS, the rights of all subsequent lessees shall be subject to such right of use and easement.

§ 250.108 Designation of operator.

This section explains the requirement for designation of an operator to conduct operations on a lease where the operator is not the sole lessee (record title owner) and owner of operating rights.

(a) Each record title owner (lessee) or operating rights owner for a lease must provide the Regional Supervisor a designation of operator in each case where someone other than an exclusive record

title and operating rights owner will conduct lease operations. The designated operator must not begin operations on the lease until the Regional Supervisor receives the designation of operator.

(1) This designation of operator is authority for the operator to act on behalf of each lessee and operating rights owner and to fulfill each of their obligations under the Act, the lease, and the regulations in this part.

(2) You must immediately notify the Regional Supervisor in writing if you terminate the designation of operator.

(3) If you terminate a designation of operator or a controversy develops between you and your designated operator, you and the operator must protect the lessor's interests.

(4) You or the lease operator must immediately notify the Regional Supervisor in writing of any change of address.

(b) Lessees and operating rights owners are jointly and severally responsible for performing nonmonetary lease obligations, unless otherwise provided in the regulations in this chapter. If the designated operator fails to perform any obligation under the lease or the regulations in this chapter, the Regional Director may require any or all of the co-lessees and operating rights owners to bring the lease into compliance.

[62 FR 27954, May 22, 1997. Redesignated at 63 FR 29479, May 29, 1998]

§ 250.109 Local agent.

When required by the Regional Supervisor or at the option of the lessee, the lessee shall designate a representative empowered to receive notices and comply with orders issued pursuant to the regulations in this part.

§ 250.110 Suspension of production or other operations.

(a) The Regional Supervisor may, on the Regional Supervisor's initiative or at the request of the lessee, suspend or temporarily prohibit production or any other operation or activity on all or any part of a lease (suspension) when the Regional Supervisor determines that such suspension is in the national interest and that the suspension is necessary as follows:

(1) To facilitate proper development of a lease including reasonable time to construct production facilities;

(2) To allow for the construction or negotiation for use of transportation facilities;

(3) To allow reasonable time to enter into a sales contract for oil, gas, or sulphur, when good faith efforts to secure such contract(s) are being made;

(4) To allow reasonable time to commence drilling operations when good faith efforts are prevented by reasons beyond the lessee's control, such as unexpected weather or unavoidable accidents; or

(5) To avoid continued operations which would result in premature abandonment of a producing well(s) or would not be economic.

(b) The Regional Supervisor may also direct or, at the request of the lessee, approve a suspension of any operation or activity, including production, because of the following:

(1) The lessee failed to comply with a provision of any applicable law, regulation, or order, or provision of a lease or permit;

(2) There is a threat of serious, irreparable, or immediate harm or damage to life (including fish and other aquatic life), property, any mineral deposit, or the marine, coastal, or human environment;

(3) The suspension is in the interest of national security or defense;

(4) The suspension is necessary for the implementation of the requirements of the National Environmental Policy Act or to conduct an environmental analysis;

(5) The suspension is necessary to facilitate the installation of equipment necessary for safety and environmental reasons;

(6) The suspension is necessary to allow for inordinate delays encountered by the lessee in obtaining required permits or consents, including administrative or judicial challenges or appeals; or

(7) The suspension is necessary to comply with judicial decrees prohibiting production or any other operation or activity, or the permitting of those activities, effective the date set by the court for that prohibition.